

A MEMORIAL

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REQUESTING THAT THE FEDERAL ENERGY REGULATORY COMMISSION REFRAIN  
FROM ADOPTING ITS PROPOSED RULE ON STANDARD MARKET DESIGN FOR  
ELECTRICITY MARKETS.

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WHEREAS, the federal energy regulatory commission issued a notice of  
proposed rulemaking on July 31, 2000 regarding a standard market design for the  
nation's wholesale electricity markets; and

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WHEREAS, the provisioning of electricity is an essential service that is critically  
important to the citizens and businesses of New Mexico and of all states; and

WHEREAS, the delivery of electric service that is reliable, safe and consistent  
with environmental values and that is stably and reasonably priced is also of critical  
importance to the citizens and businesses of New Mexico and of all states; and

WHEREAS, in the best traditions of federalism, the nation's electric power  
supply has historically been regulated through the cooperation and complementary  
activity of state, federal and other agencies; and

WHEREAS, through that cooperative and complementary system of regulation,  
the nation's electric power supply is, on the whole, safe, affordable, efficient and  
dependable; and

WHEREAS, it is evident from the standard market design for the nation's  
wholesale electricity markets that the federal energy regulatory commission is  
proposing to make fundamental changes in the way electric transmission is controlled,  
operated and priced; and

WHEREAS, the changes inherent in the standard market design for the

nation's wholesale electricity markets appear to necessitate alterations in the jurisdiction of the various state commissions; and

WHEREAS, in recognition of the failure of the California energy market, with its direct effects on the economy of that state and its indirect effects on other states through disruption of a previously beneficial and stable wholesale market, the New Mexico legislature, in 2001, postponed any opening of retail markets in New Mexico until 2007; and

WHEREAS, the standard market design for the nation's wholesale electricity markets implies vast changes in control over the disposition of transmission assets, operations, pricing and siting and makes them subject to a form of control that escapes state oversight; and

WHEREAS, the changes necessitated by the standard market design for the nation's wholesale electricity markets would effectively remove the business of electric transmission from any meaningful public scrutiny or accountability; and

WHEREAS, federal policy should both protect consumers and preserve the full ability of states and municipalities to oversee reliable and reasonably priced electricity service to retail customers; and

WHEREAS, wholesale markets have been in existence within the western interconnection for some time and have played an integral role in the successful operation of western electric systems; and

WHEREAS, a credible cost-benefit analysis, of either regional transmission organizations or standard market design, that accurately forecasts the effect of standard market design on New Mexico ratepayers has not yet been performed; and

WHEREAS, New Mexico and its citizens must balance significant air-quality and

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land-use issues related to energy production and transport with the economic benefit of those activities, and should not be deprived of that economic benefit through premature implementation of standard market design; and

WHEREAS, a clear demonstration of benefit must be performed prior to the implementation of any new system for wholesale electric power delivery that has economic and jurisdictional implications as profound as those inherent in the federal energy regulatory commission's current standard market design proposal;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the federal energy regulatory commission be requested to withdraw its current standard market design for the nation's wholesale electricity markets; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the speaker of the United States house of representatives, the president of the United States senate, the members of the New Mexico congressional delegation and the commissioners of the federal energy regulatory commission.

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